


93 ^d CONGRESS 2 ^d Session	}	HOUSE OF REPRESENTATIVES	{	REPORT No. 93-1610
<p style="text-align: center;">CONFERENCE REPORT ON FOREIGN ASSISTANCE ACT OF 1974</p> <hr/> <p style="text-align: center;">S. 3394 TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AND FOR OTHER PURPOSES</p> <p style="text-align: center;"> DECEMBER 17, 1974</p> <p style="text-align: center;">U.S. GOVERNMENT PRINTING OFFICE WASHINGTON : 1974</p>				

38-006

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93D CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } No. 93-1610

FOREIGN ASSISTANCE ACT OF 1974

DECEMBER 17, 1974.—Ordered to be printed

Mr. MORGAN, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 3394]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from the its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Foreign Assistance Act of 1974".

FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting the subsection designation "(a)" immediately before "In";

(2) by striking out "\$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "\$291,000,000 for the fiscal year 1974, and \$500,000,000 for the fiscal year 1975"; and

(3) by adding at the end thereof the following:

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest poten-

(1)

tial for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

CEILING ON FERTILIZERS TO SOUTH VIETNAM

SEC. 3 (a) None of the moneys made available under the Foreign Assistance Act of 1961 or the Foreign Assistance Act of 1974 may be used, beginning on the date of enactment of this section, during fiscal year 1975 to procure agricultural fertilizers for, or to provide such fertilizers to, South Vietnam.

(b) During each fiscal year after fiscal year 1975, of the total amount obligated or expended for such fiscal year under the Foreign Assistance Act of 1961 to procure agricultural fertilizers for, or to provide such fertilizers to, foreign countries, not more than one-third of such amount may be obligated or expended to procure such fertilizers for, or provide such fertilizers to, South Vietnam.

POPULATION PLANNING

SEC. 4. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 104, strike out "\$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "\$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975".

(2) In section 292, strike out "\$130,000,000" and insert in lieu thereof "\$150,000,000".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 5. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "\$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "\$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975".

DISPOSITION OF LOAN RECEIPTS

SEC. 6. Section 203 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"On and after July 1, 1975, none of the dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation are authorized to be made available during any fiscal year for use for purposes of making loans under chapter 1 of this part. All such receipts shall be deposited in the Treasury as miscellaneous receipts."

HOUSING GUARANTIES

SEC. 7. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, strike out "\$305,000,000" in insert in lieu thereof "\$355,000,000".

(2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

AGRICULTURAL CREDIT PROGRAMS

SEC. 8. (a) Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by striking out the title heading and inserting in lieu thereof the following:

"TITLE III—HOUSING AND OTHER CREDIT GUARANTY PROGRAMS";

(2) by inserting immediately after section 222 the following new section:

"SEC. 222A. Agricultural and Productive Credit and Self-Help Community Development Programs.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed countries in Latin America, the authority conferred by this section should be used to establish pilot programs in not more than five Latin American countries to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

"(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations in not more than five Latin American countries assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

"(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed \$15,000,000. Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

"(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section.

"(e) Not to exceed \$3,000,000 of the guaranty reserve established under section 223(b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

"(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

"(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and related rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

"(h) The authority of this section shall continue until December 31, 1977.

"(i) Notwithstanding the limitation in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.

"(j) The President shall, on or before January 15, 1976, make a detailed report to the Congress on the results of the program established under this section, together with such recommendations as he may deem appropriate."

(3) by striking out "section 221 or section 222" in section 223 (a) and inserting "section 221, 222, or 222A" in lieu thereof;

(4) by striking out "this title" in section 223 (b) and inserting "section 221 and section 222" in lieu thereof; and

(5) by striking out "section 221 or section 222" in section 223 (d) and inserting "section 221, 222, 222A, or previously under section 240 of this Act" in lieu thereof.

(b) Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 240.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 9. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "for the fiscal year 1975, \$150,000,000" in subsection (a) and inserting in lieu thereof "for the fiscal year 1975, \$165,000,000"; and

(2) by adding at the end thereof the following new subsections:

“(g) Of the funds made available to carry out this chapter for fiscal year 1975, in addition to any other such funds to be made available for contributions to the International Atomic Energy Agency, not less than \$500,000 shall be made available to such Agency as technical assistance in kind. However, a reasonable amount of funds authorized under this section shall be made available in fiscal year 1975 to strengthen international procedures which are designed to prevent the unauthorized dissemination or use of nuclear materials. The President shall report to the Congress not later than July 1, 1975, concerning actions taken by the United States to strengthen the procedures described under the preceding sentence.

“(h) Congress directs that no funds should be obligated or expended, directly or indirectly, to support the United Nations Educational, Scientific, and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific, and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character.”

MILITARY ASSISTANCE AUTHORIZATIONS

Sec. 10. Section 504(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “\$512,500,000 for the fiscal year 1974” and inserting in lieu thereof “\$600,000,000 for the fiscal year 1975”; and

(2) by striking out “(other than training in the United States)” and inserting in lieu thereof “(other than (1) training in the United States, or (2) for Western Hemisphere countries, training in the United States or in the Canal Zone)”.

SPECIAL AUTHORITY

Sec. 11. Section 506(a) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out “the fiscal year 1974” in each place it appears and inserting in lieu thereof “the fiscal year 1975” in each such place; and

(2) by striking out “\$250,000,000” and inserting in lieu thereof “\$150,000,000”.

MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

Sec. 12. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Strike out “Thailand and Laos” in the caption and insert in lieu thereof “Thailand and Laos, and South Vietnam”.

(2) At the end thereof add the following new subsection:

“(c) After June 30, 1976, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.”

EXCESS DEFENSE ARTICLES

Sec. 13. (a) Section 8 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2321b), is amended—

(1) by striking out "\$150,000,000" in subsection (b) and inserting "\$100,000,000" in lieu thereof; and

(2) by inserting immediately before the period in subsection (c) the following: "; except that for any excess defense article such term shall not include a value for any such article which is less than 33 1/3 percent of the amount the United States paid for such article when the United States acquired it".

EXCESS DEFENSE ARTICLE VALUE IN ANNUAL REPORT

Sec. 14. Section 634(d) of the Foreign Assistance Act of 1961 is amended by striking out "including economic assistance and military grants and sales" and inserting in lieu thereof the following: "including economic assistance, military grants (and including for any such grant of any excess defense article, the value of such article expressed in terms of its acquisition cost to the United States), and military sales".

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

Sec. 15. Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 514. Stockpiling of Defense Articles for Foreign Countries.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89-367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

"(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89-367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate."

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

SEC. 16. Chapter 2 of part II of the Foreign Assistance Act of 1961 is further amended by adding at the end thereof the following new section:

"SEC. 515. Military Assistance Advisory Groups and Missions.—Effective July 1, 1976, an amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts."

REVIEW OF MILITARY ASSISTANCE PROGRAMS

SEC. 17. (a) It is the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance; and that the program, except for military education and training activities, should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States.

(b) In order to give effect to the sense of Congress expressed in subsection (a), the President is directed to submit to the first session of the 94th Congress a detailed plan for the reduction and eventual elimination of the present military assistance program.

SECURITY SUPPORTING ASSISTANCE

SEC. 18. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1974 not to exceed \$125,000,000, of which not less than \$50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1975 not to exceed \$660,000,000".

TRANSFER BETWEEN ACCOUNTS

SEC. 19. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after "any other provision of this Act", insert "(except funds made available under chapter 2 of part II of this Act)".

(2) Add at the end thereof the following new subsection:

"(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."

(b) Section 614 of such Act is amended by adding at the end of subsection (a) the following: "The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act."

LIMITATION ON USE OF FUNDS

SEC. 20. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 115. Prohibiting Use of Funds for Certain Countries.—(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting assistance), part V (assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos), part VI (assistance for Middle East peace) of this Act, or section 36 of the Foreign Assistance Act of 1974.

"(b) The prohibition contained in subsection (a) may not be waived under section 614(a) of this Act or under any other provision of law.

"(c) This section shall not apply to funds made available under section 104 for purposes of title X of chapter 2 of this part (programs relating to population growth), funds made available for humanitarian assistance through international organizations, and funds obligated for regional programs."

CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

SEC. 21. Section 653 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out all after the period at the end of the first sentence of subsection (a); and

(2) by redesignating subsection (b) as subsection (c) and by inserting immediately after subsection (a) the following new subsection:

"(b) Notwithstanding any other provision of law, no military grant assistance, security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, may be furnished to any country or international organization in any fiscal year, if such assistance exceeds by 10 percent or more the amount of such military grant assistance, security supporting assistance, assistance under chapter 1 of part I of this Act, or assistance under part V of this Act, as the case may be, set forth in the report required by subsection (a) of this section, unless—

"(1) the President reports to the Congress, at least ten days prior to the date on which such excess funds are provided, the country or organization to be provided the excess funds, the amount and category of the excess funds, and the justification for providing the excess funds; and

"(2) in the case of military grant assistance or security supporting assistance, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds.

This subsection shall not apply if the excess funds provided in any fiscal year to any country or international organization for any category of assistance are less than \$1,000,000."

SUSPENSION OF MILITARY ASSISTANCE TO TURKEY

SEC. 22. Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(x) All military assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), and all licenses with respect to the transportation of arms, ammunition, and implements of war (including technical data relating thereto) to the Government of Turkey, shall be suspended on the date of enactment of this subsection unless and until the President determines and certifies to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus: Provided, That the President is authorized to suspend the provisions of this section and such acts if he determines that such suspension will further negotiations for a peaceful solution of the Cyprus conflict. Any such suspension shall be effective only until February 5, 1975, and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war."

* * * * *

PROHIBITIONS ON AID TO NATIONS TRADING WITH NORTH VIETNAM

SEC. 23. Section 620 of the Foreign Assistance Act of 1961 is amended by inserting before the period in subsection (n) the following: ", unless the President determines that such loans, credits, guaranties, grants, other assistance, or sales are in the national interest of the United States".

ASSISTANCE TO GREECE

SEC. 24. Section 620(v) of the Foreign Assistance Act of 1961 is repealed.

LIMITATION UPON ASSISTANCE TO OR FOR CHILE

SEC. 25. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under the Foreign Assistance Act of 1961, and the Foreign Military Sales Act during fiscal year 1975, may not exceed \$25,000,000, none of which may be made available for the purpose of providing military assistance (including security supporting assistance, sales, credit sales, or guaranties or the furnishing by any means of excess defense articles or items from stockpiles of the Department of Defense).

LIMITATION ON MILITARY ASSISTANCE AND EXCESS DEFENSE ARTICLES
TO KOREA

SEC. 26. (a) The aggregate amount of—

(1) funds obligated or reserved for military assistance, including supply operations, under chapter 2 of part II of the Foreign Assistance Act of 1961;

(2) the acquisition cost of excess defense articles, if any, ordered under part II of the Foreign Assistance Act of 1961 and not charged against appropriations for military assistance;

(3) credits, including participations in credits, extended pursuant to section 23 of the Foreign Military Sales Act; and

(4) the principal amount of loans guaranteed pursuant to section 24(a) of the Foreign Military Sales Act;
with respect to South Korea shall not exceed \$145,000,000 for fiscal year 1975 until the President submits a report to the Congress after the date of enactment of this Act stating that the government of South Korea is making substantial progress in the observance of internationally recognized standards of human rights.

(b) After the submission of the report under subsection (a), the aggregate amount described in paragraphs (1), (2), (3), and (4) of such subsection with respect to South Korea shall not exceed \$165,000,000 for fiscal year 1975.

(c) The provisions of section 506 and section 614 of the Foreign Assistance Act of 1961, or of any other law, may not be used to exceed the limitation under subsection (a) or (b).

LIMITATION ON ASSISTANCE FOR INDIA

SEC. 27. The total amount of assistance provided under the Foreign Assistance Act of 1961 and of credit sales made or guaranteed under the Foreign Military Sales Act for India shall not exceed \$50,000,000 in fiscal year 1975.

FAMINE OR DISASTER RELIEF

SEC. 28. (a) Section 639 of the Foreign Assistance Act of 1961, dealing with famine or disaster relief, is amended to read as follows:

"SEC. 639. Famine or Disaster Relief.—Notwithstanding any other provision of this or any other Act, the President may provide famine or disaster relief assistance to any foreign country on such terms and conditions as he may determine. For fiscal year 1975 there is authorized to be appropriated not to exceed \$40,000,000, to provide such assistance. The President shall submit quarterly reports during such fiscal year to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section."

(b) Of the funds appropriated to carry out section 639 of the Foreign Assistance Act of 1961, during fiscal year 1975 not less than \$25,000,000 shall be made available to Cyprus for the purposes of such section 639.

(c) Section 451 of the Foreign Assistance Act of 1961, dealing with the contingency fund, is amended to read as follows:

"SEC. 451. Contingency Fund.—(a) There is authorized to be appropriated to the President for the fiscal year 1975 not to exceed \$5,000,000, to provide assistance authorized by this part or by section 639 for any emergency purpose only in accordance with the provisions applicable to the furnishing of such assistance.

"(b) The President shall submit quarterly reports to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives on the programming and obligation of funds under this section.

"(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter."

ACCESS TO CERTAIN MILITARY BASES ABROAD

SEC. 29. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 659. Access to Certain Military Bases Abroad.—None of funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under this Act may be used to provide any kind of assistance to any foreign country in which a military base is located if—

"(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

"(2) personnel of the United States carry out military operations from such base; unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."

(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

PROHIBITING POLICE TRAINING

SEC. 30. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 23(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 660. Prohibiting Police Training.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program. Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

(b) Section 112 of the Foreign Assistance Act of 1961 is repealed.

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 32. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new section:

"SEC. 661. Reimbursable Development Programs.—The President is authorized to use up to \$1,000,000 of the funds made available for the purposes of this Act in each of the fiscal years 1975 and 1976 to work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reimbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act."

INTELLIGENCE ACTIVITIES AND EXCHANGES OF MATERIALS

SEC. 32. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new sections:

"SEC. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

"(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

"SEC. 663. Exchanges of Certain Materials.—(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purposes of this section, the term 'necessary or strategic raw material' includes petroleum, other fossil fuels, metals,

minerals, or any other natural substance which the President determines is in short supply in the United States.

"(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

"(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury."

WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING
IN CERTAIN TRADE

SEC. 33. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress."

POLICY WITH RESPECT TO INDOCHINA

SEC. 34. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the following measures:

(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

(2) to urge by all available means that the Government of the Khmer Republic enter in negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union, and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations

or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

(3) to utilize any public or private forum to negotiate directly with representatives of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

SEC. 35. (a) Congress calls upon the President and Secretary of State to take the following actions designed to maximize the benefit of United States economic assistance:

(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;

(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing, income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress;

(6) to include in Indochina economic planning and programming specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipient's efforts and to determine whether, and what amounts of, continued United States funding is justified; and

(7) to provide humanitarian assistance to Indochina wherever practicable under the auspices of and by the United Nations and its specialized agencies, other international organizations or arrangements, multilateral institutions, and private voluntary agencies with a minimum presence and activity of United States Government personnel.

(b) This section shall not be construed to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 36. (a) There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos, in addition to funds otherwise available for such purposes, for the fiscal year 1975 not to exceed \$617,000,000. Of the amount appropriated for fiscal year 1975—

(1) \$449,900,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 38 of this Act;

(2) \$100,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 39 of this Act;

(3) \$40,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 40 of this Act;

(4) \$4,100,000 shall be available only for the regional development program;

(5) \$16,000,000 shall be available only for support costs for the agency primarily responsible for carrying out this part; and

(6) \$7,000,000 shall be available only for humanitarian assistance through international organizations.

Such amounts are authorized to remain available until expended.

(b) The authority of section 610(a) of the Foreign Assistance Act of 1961 may not be used in fiscal year 1975 to transfer funds made available for any provision of such Act of 1961 into funds made available for part V of such Act for South Vietnam, Cambodia, or Laos under this section.

(c) No assistance may be provided to South Vietnam, Cambodia, or Laos in fiscal year 1975 under part I (including chapter 4 of part II) of the Foreign Assistance Act of 1961. This prohibition may not be waived under section 614(a) of such Act of 1961 or any other provision of law.

(d) Notwithstanding subsection (b) of this section, funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia during fiscal year 1975 may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development, if such transfer does not result in a greater amount than is allocated for such country under paragraph (1), (2), or (3) of subsection (a).

(e) To the extent not inconsistent with the provisions of this Act, all prohibitions, restrictions, limitations, and authorities contained in the

Foreign Assistance Act of 1961 which are applicable to part V of such Act of 1961 shall apply with respect to the assistance authorized by this section.

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

Sec. 37. (a) It is the sense of the Congress that inadequate provision has been made (1) for the establishment, expansion and improvement of day care centers, orphanages, hostels, school feeding programs, health and welfare programs, and training related to these programs which are designed for the benefit of South Vietnamese children, disadvantaged by hostilities in Vietnam or conditions related to those hostilities, and (2) for the adoption by United States citizens of South Vietnamese children who are orphaned or abandoned, or whose parents or sole surviving parent, as the case may be, has irrevocably relinquished all parental rights, particularly children fathered by United States citizens.

(b) The President is, therefore, authorized to provide assistance, on terms and conditions he considers appropriate, for the purposes described in clauses (1) and (2) of subsection (a) of this section. Of the funds appropriated pursuant to section 36(a) of this Act, \$10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section. Not more than 10 per centum of the funds made available to carry out this section may be expended for the purposes referred to in clause (2) of subsection (a). Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international agencies or private voluntary agencies.

LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

Sec. 38. (a) The \$449,900,000 made available in accordance with section 36 (a) (1) of this Act shall be allocated as follows:

(1) \$90,000,000 for humanitarian assistance, of which there shall be available—

(A) \$70,000,000 for refugee relief;

(B) \$10,000,000 for child care; and

(C) \$10,000,000 for health care;

(2) \$154,500,000 for agricultural assistance, of which there shall be available—

(A) \$85,000,000 for fertilizer;

(B) \$12,000,000 for POL (for agriculture);

(C) \$6,000,000 for insecticides and pesticides;

(D) \$10,000,000 for agricultural machinery and equipment (including spare parts);

(E) \$3,500,000 for agricultural advisory services;

(F) \$20,000,000 for rural credit;

(G) \$10,000,000 for canal dredging;

(H) \$4,000,000 for low-lift pumps; and

(I) \$4,000,000 for fish farm development;

(3) \$139,800,000 for industrial development assistance of which there shall be available—

(A) \$124,000,000 for commodities;

(B) \$10,000,000 for industrial credit; and

- (C) \$5,800,000 for industrial advisory services (including feasibility studies);
- (4) \$65,600,000 for miscellaneous assistance, of which there shall be available—
- (A) \$47,900,000 for the service sector (including POL, machinery equipment, and spare parts); and
- (B) \$17,700,000 for technical services and operating expenses.
- (b) (1) No funds made available in accordance with section 36(a) (1) may be transferred to, or consolidated with, the funds made available for military assistance, nor may more than 20 per centum of the funds made available under paragraph (1), (2), (3), or (4) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.
- (2) Whenever the President determines it to be necessary in carrying out this section, any funds made available under any subparagraph of paragraph (1), (2), (3), or (4) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other subparagraph of that same paragraph.
- (3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (1) or (2) of this subsection prior to making such transfer.
- (c) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.
- (d) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.
- (e) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.
- (f) (1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

(3) For purposes of this subsection, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

(4) This subsection shall not be construed to apply with respect to any individual in South Vietnam who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in South Vietnam.

(g) This section shall not be construed as a commitment by the United States to South Vietnam for its defense.

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 39. (a) Section 655 of the Foreign Assistance Act of 1961 is amended as follows:

(1) by striking out "\$341,000,000" in subsection (a) and inserting "\$377,000,000" in lieu thereof.

(2) by striking out "1972" in subsection (a) and inserting "1975. Of that sum, there shall be available no more than \$200,000,000 for military assistance. In addition to such \$377,000,000, defense articles and services may be ordered under section 506 of this Act for Cambodia in an amount not to exceed \$75,000,000 in fiscal year 1975." in lieu thereof.

(3) by striking out "\$341,000,000" in subsection (b) and inserting "\$377,000,000" in lieu thereof.

(4) by striking out "1972" in subsection (b) and inserting "1975" in lieu thereof.

(b) Section 656 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following sentence: "This section shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia."

(c) *The \$100,000,000 made available in accordance with section 36(a)(2) of this Act shall be allocated as follows:*

- (1) *\$20,000,000 for humanitarian assistance;*
- (2) *\$63,000,000 for commodity import assistance;*
- (3) *\$15,000,000 for multilateral stabilization assistance; and*
- (4) *\$2,000,000 for technical support and participant training.*

(d) *No funds made available in accordance with section 36(a)(2) may be transferred to, or consolidated with, the funds allocated for military assistance to Cambodia under section 655(a) of the Foreign Assistance Act of 1961, nor may more than 20 per centum of the funds made available under any paragraph of subsection (c) of this section be transferred to, or consolidated with, the funds made available under any other such paragraph.*

(e) *No funds may be obligated for any of the purposes described in section 655(a) of the Foreign Assistance Act of 1961 in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.*

(f) *This section shall not be construed as a commitment by the United States to Cambodia for its defense.*

LIMITATIONS WITH RESPECT TO LAOS

SEC. 40. (a) *Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of \$70,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—*

- (1) *\$30,000,000 for military assistance; and*
- (2) *\$40,000,000 only for economic assistance, of which there shall be available—*

- (A) *\$11,000,000 for humanitarian assistance;*
- (B) *\$6,500,000 for reconstruction and development assistance;*
- (C) *\$16,100,000 for stabilization assistance; and*
- (D) *\$6,400,000 for technical support.*

(b) *No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may more than 20 per centum of the funds made available under any subparagraph of paragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.*

(c) *In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to,*

for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Laos but in no case less than 33 $\frac{1}{3}$ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

(g) This section shall not be construed as a commitment by the United States to Laos for its defense.

POPULATION, NARCOTICS, INTERNATIONAL HUMANITARIAN AND REGIONAL PROGRAMS

SEC. 41. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section;

"SEC. 806. Population, Narcotics, International Humanitarian and Regional Programs.—The provisions of sections 36(c), 38, 39, and 40 of the Foreign Assistance Act of 1974 shall not apply to: (1) funds obligated for purposes of title X of chapter 2 of part I (programs relating to population growth); (2) funds made available under section 482 (programs relating to narcotics control); (3) funds made available for humanitarian assistance through international organizations; or (4) funds obligated for regional programs."

ASSISTANCE TO THE MIDDLE EAST

SEC. 42. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART VI

"SEC. 901. Statement of Policy.—The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between nations in the Middle East is

essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab nations and Israel, and by assisting the nations in the area in their efforts to achieve economic progress and political stability, which are the essential foundations for a just and durable peace. It is the sense of Congress that United States assistance programs in the Middle East should be designated to promote mutual respect and security among the nations in the area and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering nations in the Middle East.

"It is further the sense of Congress that none of the funds authorized by this Act should be provided to any nation which denies its citizens the right or opportunity to emigrate.

"SEC. 902. Allocations.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed \$100,000,000 may be made available for military assistance in the Middle East.

"(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed \$652,000,000 may be made available for security supporting assistance in the Middle East.

"(c) Of the aggregate ceiling on credits and guaranties established by section 31 (b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed \$330,000,000 shall be available for countries in the Middle East.

"SEC. 903. (a) Special Requirements Fund.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed \$100,000,000 to furnish assistance under part I of this Act to meet special requirements arising from time to time in carrying out the purposes of this part, in addition to funds otherwise available for such purposes. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by such part in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

"(b) The President may only obligate or expend, for each foreign country or international organizations, funds authorized under this section—

"(1) after he reports to the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate concerning (A) the name of such foreign country or international organizations, (B) the amount of such funds to be made available to such country or organization, and (C) the purpose for which such funds are to be made available to such country or organization; and

"(2) unless the Congress, within thirty calendar days after receiving any report under paragraph (1), adopts a concurrent resolution stating in substance that it does not favor the provisions of the report provided by clauses (A), (B), and (C) of paragraph (1).

"(c) Of the amount authorized under subsection (a), not less than \$6,000,000 shall constitute a contribution by the United States toward the settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East, if the President determines that a reasonable number of other countries will contribute a fair share toward the settlement of such deficit within a reasonable period of time after the date of enactment of the Foreign Assistance Act of 1974. In determining such fair share, the President shall take into consideration the economic position of each such country. Such \$6,000,000 shall be in addition to any other contribution to such Agency by the United States pursuant to any other provision of law."

NUCLEAR POWERPLANTS

SEC. 43. None of the funds authorized by this Act may be used to finance the construction of, the operation or maintenance of, or the supply of fuel for any nuclear powerplant in Israel or Egypt, which has been approved under an agreement for cooperation between the United States and either such country.

ASSISTANCE TO UNITED ARAB REPUBLIC

SEC. 44. Section 620(p) of the Foreign Assistance Act of 1961 is repealed.

FOREIGN MILITARY SALES ACT AMENDMENTS

Sec. 45(a). The Foreign Military Sales Act is amended as follows:

(1) Section 3(d) is amended to read as follows:

"(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(2) Section 23 is amended to read as follows:

"SEC. 23. Credit Sales.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

"(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

"(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor."

(3) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: "(excluding United States Government agencies other than the Federal Financing Bank)".

(4) Section 24(c) is amended by striking out "25" both times it appears and inserting "10" both such times in lieu thereof.

(5) Section 35(b) is repealed, and section 36 is amended by inserting before subsection (c) the following new subsections:

"(a) The President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate quarterly reports containing—

"(1) a listing of all letters of offer to sell any defense articles or services under this Act, if such offer has not been accepted or canceled;

"(2) a cumulative listing of all such letters of offer to sell that have been accepted during the fiscal year in which such report is submitted;

"(3) the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 made before the submission of such quarterly report and during the fiscal year in which such report is submitted; and

"(4) projections of the cumulative dollar amounts, by foreign country and international organization, of credit sales under section 23 and guaranty agreements under section 24 to be made in the quarter of the fiscal year immediately following the quarter for which such report is submitted.

For each letter of offer to sell under paragraphs (1) and (2), the report shall specify (A) the foreign country or international organization to which the defense article or service is offered, (B) the dollar amount of the offer to sell under paragraph (1) or of the completed sale under paragraph (2), (C) a brief description of the defense article or service offered, (D) the United States armed force which is making the offer to sell, (E) the date of such offer, and (F) the date of any acceptance under paragraph (2).

"(b) In the case of any letter of offer to sell any defense articles or services under this Act for \$25,000,000 or more, before issuing such letter of offer the President shall submit to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate a statement with respect to such offer to sell containing the information specified in subparagraphs (A) through (E) in subsection (a). The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale, unless the President in his statement certifies that an emergency exists which requires such sale in the national security interests of the United States."

(6) Section 31(a) is amended by striking out "\$325,000,000 for the fiscal year 1974" and inserting in lieu thereof "\$405,000,000 for the fiscal year 1975".

(7) In section 31(b)—

(A) strike out "\$730,000,000 for the fiscal year 1974" and insert in lieu thereof "\$872,500,000 for the fiscal year 1975"; and

(B) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, \$100,-

000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

(8) In section 33—

(A) subsection (a) is repealed;

(B) subsection (b) is redesignated as subsection (a); and

(C) a new subsection (b) is added as follows:

"(b) The President may waive the limitations of this section when he determines it to be important to the security of the United States and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate."

(b) The amendment made by paragraph (4) of subsection (a) shall take effect on July 1, 1974. Obligations initially charged against appropriations made available for purposes authorized by section 31(a) of the Foreign Military Sales Act after June 30, 1974, and prior to the enactment of this section in an amount equal to 25 per centum of the principal amount of contractual liability related to guaranties issued pursuant to section 24(a) of that Act shall be adjusted to reflect such amendment with proper credit to the appropriations made available in the fiscal year 1975 to carry out that Act.

SECURITY ASSISTANCE AND HUMAN RIGHTS

SEC. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 502B. Human Rights.—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.

"(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross and any body acting under the authority of the United Nations or of the Organization of American States.

"(d) For purposes of this section, 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

GORGAS MEMORIAL INSTITUTE

SEC. 47. The first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial", approved May 7, 1928, is amended by striking out "\$500,000" and inserting "\$2,000,000" in lieu thereof.

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

SEC. 48. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed \$16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

(b) There are authorized to be appropriated to the Department of State not to exceed \$11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

POLICY ON ASSISTANCE TO AFRICA

SEC. 49. The President is requested to review the regional allocation of economic development assistance and to increase Africa's share of the Agency for International Development loans and grants. A special effort should be made to provide more assistance to the sixteen of the world's twenty-five least developed countries that are in Africa and to the fourteen African nations that are judged to be most seriously affected by rising costs of food and fuel. The President is requested to make a report to Congress on action taken to provide the developing countries of Africa with an equitable share of United States economic assistance at the time that the Agency for International Development's operational year budget for fiscal year 1975 is submitted to Congress and again with the submission to Congress of the proposed Agency for International Development budget for fiscal year 1976.

POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE,
AND GUINEA-BISSAU

SEC. 50. (a) (1) Congress finds that the Government of Portugal's recognition of the right to independence of the African territories of Angola, Mozambique, and Guinea-Bissau marks a significant advance toward the goal of self-determination for all the peoples of Africa, without which peace on the continent is not secure.

(2) Congress finds that progress toward independence for the Portuguese African territories will have a significant impact on the international organizations and the community of nations.

(3) *Congress commends the Portuguese Government's initiatives on these fronts as evidence of a reaffirmation of that Government's support for her obligations under both the United Nations Charter and the North Atlantic Treaty Organization.*

(b) *Therefore, Congress calls upon the President and the Secretary of State to take the following actions designed to make clear United States support for a peaceful and orderly transition to independence in the Portuguese African territories:*

(1) *An official statement should be issued of United States support for the independence of Angola, Mozambique, and Guinea-Bissau, and of our desire to have good relations with the future governments of the countries.*

(2) *It should be made clear to the Government of Portugal that we view the efforts toward a peaceful and just settlement of the conflict in the African territories as consistent with Portugal's obligations under the North Atlantic Treaty Organization partnership.*

(3) *The United States should encourage United Nations support for a peaceful transition to independence, negotiated settlement of all differences, and the protection of human rights of all citizens of the three territories.*

(4) *The United States should open a dialog with potential leaders of Angola, Mozambique, and Guinea-Bissau and assure them of our commitment to their genuine political and economic independence.*

(5) *The economic development needs of the three territories will be immense when independence is achieved. Therefore, it is urged that the United States Agency for International Development devote attention to assessing the economic situation in Angola, Mozambique, and Guinea-Bissau and be ready to cooperate with the future governments in providing the kind of assistance that will help make their independence viable. In addition, the United States Government should take the initiative among other donors, both bilateral and multilateral, in seeking significant contribution of development assistance for the three territories.*

(6) *In light of the need of Angola, Mozambique, and Guinea-Bissau for skilled and educated manpower, a priority consideration should be given to expanding current United States programs of educational assistance to the territories as a timely and substantive contribution to their independence.*

(c) *Reports should be submitted to the Congress on the implementation of the proposals set forth in subsection (b) and Congress should be kept fully informed on developments in United States policy toward the independence of the Portuguese African territories.*

CONVENTIONAL ARMS TRADE

SEC. 51. (a) *It is the sense of the Congress that the recent growth in international transfers of conventional arms to developing nations—*

(1) *is a cause for grave concern for the United States and other nations in that in particular areas of the world it increases*

the danger of potential violence among nations, and diverts scarce world resources from more peaceful uses; and

(2) could be controlled progressively through negotiations and agreements among supplier and recipient nations.

(b) Therefore, the President is urged to propose to the Geneva Conference of the Committee on Disarmament that it consider as a high priority agenda item discussions among participating nations of that Conference for the purposes of—

(1) agreeing to workable limitations on conventional arms transfers; and

(2) establishing a mechanism through which such limitations could be effectively monitored.

(c) The President shall transmit to the Congress not later than six months after the enactment of this Act a report setting forth the steps he has taken to carry out this section.

INVOLVEMENT OF PUERTO RICO IN THE CARIBBEAN DEVELOPMENT BANK

SEC. 52. (a) The President may transmit to the Caribbean Development Bank an instrument stating that the Commonwealth of Puerto Rico has the authority to conclude an agreement of accession with such Bank and to assume rights and obligations pursuant to such agreement. However, such agreement may only be concluded after it has been approved by the United States Secretary of State.

(b) The instrument transmitted by the President to the Caribbean Development Bank under subsection (a) shall state that the United States shall not assume any financial or other responsibility for the performance of any obligation incurred by the Commonwealth of Puerto Rico pursuant to such agreement of accession or pursuant to any other aspect of its membership or participation in such Bank.

(c) Such agreement of accession shall provide that the Commonwealth of Puerto Rico may not receive from the Caribbean Development Bank any funds provided to the Bank by the United States.

ASSISTANCE TO PORTUGAL AND PORTUGUESE COLONIES IN AFRICA GAINING INDEPENDENCE

SEC. 53. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

“Chapter X—Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence

“SEC. 496. Assistance to Portugal and Portuguese Colonies in Africa Gaining Independence.—There are authorized to be appropriated to the President for the fiscal year 1975, in addition to funds otherwise available for such purposes, not to exceed—

“(1) \$5,000,000 to make grants; and

“(2) \$20,000,000 to make loans;

to remain available until expended, for use by the President in providing economic assistance, on such terms and conditions as he may determine, for Portugal and the countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.”

INTEGRATION OF WOMEN

SEC. 54. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member (including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women."

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED BY
FOOD SHORTAGES

SEC. 55. (a) The United Nations has designated thirty-two countries as "Most Seriously Affected" by the current economic crisis. These are countries without the internal food production capability or the foreign exchange availability to secure food to meet their immediate food requirements. The Congress calls upon the President and Secretary of State to take the following actions designed to mobilize appropriate resources to meet the food emergency:

(1) Review and make appropriate adjustments in the level of programming of our food and fertilizer assistance programs with the aim of increasing to the maximum extent feasible the volume of food and fertilizer available to those countries most seriously affected by current food shortages.

(2) Call upon all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to immediately increase their participation in efforts to address the emergency food needs of the developing world.

(3) Make available to these most seriously affected countries the maximum feasible volume of food commodities, with appropriate regard to the current domestic price and supply situations.

(4) Maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation on steps which are being taken to help meet this food emergency. In accordance with this provision, the President shall report to the Congress on a global assessment of food needs for fiscal year 1975, specifying expected food grain deficits and currently planned programming of food assistance, and steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance. Such report should reach the Congress promptly and should be supplemented quarterly for the remainder of fiscal year 1975.

(5) The Congress directs that during the fiscal year ending June 30, 1975, not more than 30 per cent of concessional food aid should be allocated to countries other than those which are

most seriously affected by current food shortages, unless the President demonstrates to the appropriate Committees of the Congress that the use of such food assistance is solely for humanitarian food purposes.

(6) The Congress calls upon the President to proceed with the implementation of resolutions and recommendations adopted by the World Food Conference. The Congress believes that it is incumbent upon the United States to take a leading role in assisting in the development of a viable and coherent world food policy which would begin the task of alleviating widespread hunger and suffering prevalent in famine-stricken nations. The President shall report to the Congress within 120 days of enactment of this Act on the implementation of the resolutions and the extent to which the United States is participating in the implementation of resolutions adopted at the World Food Conference.

REPAYMENT OF LOANS IN DEFAULT

SEC. 56. It is the sense of the Congress that any country receiving assistance under the Foreign Assistance Act of 1961 which is in default, at least 90 days prior to the date of enactment of this Act, of any payment of principal or interest due on any loan or credit received from the United States shall promptly pay all such principal and interest. It is further the sense of the Congress that the President shall promptly enter into negotiations with each such country to help effectuate the payment of such principal and interest, or to effectuate the transfer by such country to the United States of goods, services, concessions, or actions beneficial to the United States, in lieu of the payment of such principal and interest.

And the House agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
PETER H. B. FRELINGHUYSEN,
WM. S. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOHN SPARKMAN,
FRANK CHURCH,
STUART SYMINGTON,
HUBERT H. HUMPHREY,
GEORGE D. AIKEN,
CLIFFORD P. CASE,
J. JAVITS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE
OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment.

The committee of conference recommends a substitute for both the Senate bill and the House amendment to the text of the Senate bill.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

The committee of conference agreement contained authorizations for economic and military assistance for fiscal year 1975 of \$2,697,226, which represents an increase of \$39,926,000 in the House figure, a reduction of \$30,900,000 in the Senate figure, and a reduction of \$554,974,000 below the amount requested by the executive branch.

The amounts requested by the committee of conference compared to the amounts requested by the executive branch and recommended by the House and Senate follow:

FUNDS AUTHORIZED FOR FISCAL YEAR 1975 BY S. 3394

[In millions]

	Previously authorized for fiscal year 1975 ¹	Supplemental and new fiscal year 1975 Executive requests	House recom- mendations	Senate recom- mendations	Conference agreement
Food and nutrition (sec. 103).....	\$291.0	\$255.3	² \$180.3	² \$239.0	² \$209.0
Population planning and health (sec. 104).....	145.0		³ 20.0	³ 20.0	³ 20.0
Population activities (sec. 292).....	⁴ (130.0)		⁵ (20.0)	⁵ (20.0)	⁵ (20.0)
Education and human resources (sec. 105).....	90.0			⁶ 2.0	⁶ 2.0
Portugal and Portuguese colonies.....				55.0	25.0
Loans.....				(50.0)	(20.0)
Grants.....				(5.0)	(5.0)
International organizations and programs.....	150.0	⁷ 3.9	⁷ 4.4	⁷ 36.9	⁷ 15.0
Contingency fund.....	30.0		⁹ -25.0		⁹ -25.0
Famine and disaster relief (sec. 639).....			¹⁰ 40.0		¹⁰ 40.0
Middle East special requirements.....		100.0	100.0	100.0	100.0
UNRWA.....			¹¹ (6.0)		¹¹ (6.0)
Indochina postwar reconstruction.....		939.8	573.4	617.0	617.0
Vietnamese children.....			¹² (10.0)	¹² (10.0)	¹² (10.0)
Security supporting assistance.....		385.5	585.0	675.0	660.0
Middle East.....		¹³ (377.5)	¹³ (577.5)	¹³ (677.0)	¹³ (652.0)
Military assistance programs.....		985.0	745.0	550.0	600.0
Middle East.....		¹⁴ (100.0)	¹⁴ (200.0)	¹⁴ (100.0)	¹⁴ (100.0)
Foreign military credit sales.....		555.0	405.0	405.0	405.0
Middle East.....		¹⁵ (330.0)	¹⁵ (230.0)	¹⁵ (330.0)	¹⁵ (330.0)
International Control Commission.....		27.7	27.7	27.726	27.726
Gorgas Memorial Institute.....	.5		¹⁶ 1.5	¹⁶ .5	¹⁶ 1.5
Total.....	706.5	3,252.2	2,657.3	2,728.126	2,697.226

¹ Public Law 93-189, approved Dec. 17, 1973 authorized economic assistance for fiscal years 1974 and 1975, except for the Albert Schweitzer Hospital, Indochina postwar reconstruction assistance, and African famine relief. The military assistance authorizations were for fiscal year 1974 only.

² In addition to the \$291,000,000 previously authorized for fiscal year 1975.

³ In addition to the \$145,000,000 previously authorized for fiscal year 1975.

⁴ Earmarked for this purpose from pt. I funds for fiscal year 1975.

⁵ In addition to the \$130,000,000 previously earmarked for this purpose from pt. I funds.

⁶ In addition to the \$90,000,000 previously authorized for fiscal year 1975.

⁷ In addition to the \$150,000,000 previously authorized for fiscal year 1975.

⁸ Of which, not less than \$500,000 was earmarked for contribution to the International Atomic Energy Agency as technical assistance in kind.

⁹ The previous authorization of \$30,000,000 for the contingency fund for fiscal year 1975 was cut to \$5,000,000.

¹⁰ Of which \$25,000,000 earmarked for Cyprus.

¹¹ Earmarked from the Special Requirements Fund for contribution toward settlement of the deficit of the United Nations Relief and Works Agency for Palestine Refugees.

¹² Earmarked from Indochina postwar reconstruction funds for assistance to Vietnamese children.

¹³ Security assistance earmarked for the Middle East.

¹⁴ Up to \$100,000,000 of which made available for the Middle East.

¹⁵ Up to \$200,000,000 of which made available for the Middle East and not less than \$100,000,000 made available for Israel.

¹⁶ Of the aggregate ceiling of \$872,500,000 on credits and guaranties authorized to be extended, not to exceed \$330,000,000 made available for countries in the Middle East, of which \$300,000,000 is for Israel.

¹⁷ Of the aggregate ceiling of \$772,500,000 on credits and guaranties authorized to be extended, not to exceed \$230,000,000 made available for countries in the Middle East, of which \$200,000,000 is for Israel.

¹⁸ In addition to the \$500,000 previously authorized.

FOOD AND NUTRITION AUTHORIZATION

Food and nutrition

The Senate bill increased the authorization for food and nutrition under section 103 of the act from \$291 million to \$530 million for fiscal year 1975.

The House amendment increased the section 103 authorization to \$471.3 million for fiscal year 1975.

The committee of conference agreed to a compromise authorization of \$500 million for food and nutrition for fiscal year 1975.

Policy increasing agricultural production

The Senate bill added a subsection 103(b) to the Foreign Assistance Act directing that special attention be given to increasing agricultural production in countries with per capita income under \$300.

The House amendment did not contain a comparable provision.
The House receded.

Limit on fertilizer production for Vietnam

The Senate bill added a subsection 103(c) limiting the annual funding for fertilizer for South Vietnam to one-third of the total amount obligated for fertilizer under the Foreign Assistance Act after fiscal year 1975.

The House amendment prohibited Foreign Assistance Act funding to procure fertilizer for South Vietnam in fiscal year 1975 and limited the amount for South Vietnam to one-third of the total amount obligated for this purpose annually after fiscal year 1975.

The Senate conferees accepted the House language. The House and Senate conferees agreed to make the prohibition on the use of funds to procure fertilizer for South Vietnam in fiscal year 1975 effective upon the enactment of the Foreign Assistance Act of 1974.

EDUCATION AND HUMAN RESOURCE DEVELOPMENT AUTHORIZATION

The Senate bill increased the authorization for education and human resource development under section 105 of the Foreign Assistance Act from \$90 to \$92 million for fiscal year 1975, so as to provide funding for activities conducted by the Opportunities Industrialization Centers International.

The House amendment did not contain a comparable provision.
The House receded.

DISPOSITION OF LOAN RECEIPTS

The Senate bill amended section 203 of the Foreign Assistance Act specifically to prohibit the use by the Agency for International Development (AID) of scheduled loan receipts after July 1, 1975.

The House amendment did not contain a comparable provision. The House amendment, in effect, retained existing law which permits the use of 50 percent of loan receipts until July 1, 1975, and then terminates the authority.

The committee of conference agreed to accept the Senate amendment effective July 1, 1975. The intent of the conferees is to assure that actual receipts after July 1, 1975, be deposited in the Treasury.

HOUSING GUARANTIES

The Senate bill increased the worldwide ceiling on housing guaranties in section 221 of the Foreign Assistance Act from \$305 million to \$405 million and extended the authority through June 30, 1976.

The House amendment also extended the authority through June 30, 1976, but did not increase the section 221 ceiling.

The committee of conference raised the worldwide housing guaranty ceiling by \$50 million from \$305 million to \$355 million.

AGRICULTURAL CREDIT PROGRAMS

The Senate bill added Title III, Housing and Other Credit Guaranty Programs and a new section 222A to the Foreign Assistance Act, transferring Agricultural and Productive Credit and Self-Help, Community Development Program from the Overseas Private Investment Corporation (OPIC) to AID. This section makes clear that the full faith and credit of the United States extends to guaranties previously issued under this program by OPIC.

The House amendment also transferred the agricultural credit programs from OPIC to AID. It did not, as a technical matter, extend the U.S. full faith and credit to guaranties previously made under OPIC's authority.

The House receded.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Authorization

The Senate bill increased the authorization for international organizations and programs under section 302(a) of the Foreign Assistance Act from \$150 million to \$186.9 million for fiscal year 1975.

The House amendment increased this section 302(a) authorization to \$154.4 million for fiscal year 1975.

The committee of conference agreed on an authorization of \$165 million for fiscal year 1975. It is the intention of the committee of conference that \$3 million of the funds authorized in this section for fiscal year 1975 shall be made available to the United Nations Childrens Emergency Fund (UNICEF), in view of the fact that demands on UNICEF resources have increased markedly, and \$7.6 million for the United Nations Development Program (UNDP), to help move the U.S. contribution from a split-year to a full-year funding basis. The committee of conference also expressed its deep concern about the operations of the United Nations Relief and Works Agency (UNRWA). It directs the Secretary of State to conduct a review of UNRWA operations and to report its findings promptly to the Committee on Foreign Relations and the Committee on Foreign Affairs.

Earmarking for the International Atomic Energy Agency

The House amendment added a new subsection 302(g) earmarking \$500,000 of funds authorized under the section for the International Atomic Energy Agency (IAEA) and requiring that a reasonable amount of the funds be used to strengthened procedures to prevent unauthorized use of nuclear materials. A report on action taken to implement this section is required by July 1, 1975.

The Senate bill did not contain a comparable provision.

The Senate receded.

Expense of U.S. membership in UNESCO

The Senate bill contained a provision which prohibited the use of any funds appropriated under any law for the United Nations Edu-

ational, Scientific, and Cultural Organization (UNESCO) until the Secretary of State certified to the Congress that each resolution not of an educational, scientific, or cultural character adopted by UNESCO had been repealed.

The House amendment added a new subsection 320(h) to the act, prohibiting contributions from the Foreign Assistance Act to UNESCO until the President certifies that the organization has taken concrete steps to correct recent political actions and has adopted policies consistent with its charter.

The committee of conference agreed upon a provision directing that no funds should be expended or obligated to support, directly or indirectly, the United Nations Educational, Scientific and Cultural Organization until the President certifies to the Congress that such Organization (1) has adopted policies which are fully consistent with its educational, scientific and cultural objectives, and (2) has taken concrete steps to correct its recent actions of a primarily political character.

MILITARY ASSISTANCE AUTHORIZATIONS

The Senate bill amended section 504(a) of the Foreign Assistance Act to authorize \$550 million for military assistance programs (MAP) for fiscal year 1975.

The House amendment amended section 504(a) to authorize \$745 million for MAP for fiscal year 1975 and earmarked \$100 million for Israel.

The committee of conference agreed to provide a \$600 million authorization for MAP for fiscal year 1975 and to delete the earmarking of \$100 million for Israel which was in the House amendment. It also agreed upon the earmarking of \$300 million in military credit sales for Israel, and the releasing of that country from the liability to repay the United States for \$100 million worth of defense articles or services so financed. Agreement also was reached to set the aggregate program ceiling on credits and guaranties which can be furnished in fiscal year 1975, pursuant to section 31(a) of the Foreign Military Sales Act, so as to reflect the above decisions.

SPECIAL DRAWDOWN AUTHORITY

The Senate bill repealed section 506 of the Foreign Assistance Act, the President's special authority to draw down defense articles from the stocks of the Department of Defense and defense services when he determines it to be in the security interests of the United States, subject to subsequent reimbursement from appropriations for military assistance.

The House amendment extended the section 506 drawdown authority through June 30, 1975, and retained the ceiling of \$250 million.

The Senate receded, with an amendment authorizing a drawdown ceiling of \$150 million for fiscal year 1975. The committee of conference expressed concern that no request has yet come forward to the Congress from the executive branch for an appropriation to reimburse the Department of Defense for the \$250 million expended under the section in fiscal year 1974 for defense articles and services to Cambodia.

MILITARY ASSISTANCE AUTHORIZATION FOR SOUTH VIETNAM

The Senate bill contained a provision which required the transfer of authorizations for military assistance and sales programs for South Vietnam from the Department of Defense budget to the Foreign Assistance and Military Sales Acts effective June 30, 1976.

The House amendment provided for the transfer of such military assistance and sales authorizations effective June 30, 1975.

The House receded. The committee of conference agreed that military assistance and sales authorization for South Vietnam should be made pursuant to the Foreign Assistance Act of 1961 and the Foreign Military Sales Act but because of budget cycling considerations postponed the effective date until June 30, 1976. Aware that this would be the second postponement of the return to the regular foreign aid authorization of military aid to South Vietnam, the conferees were in full agreement that no further postponement should be allowed.

EXCESS DEFENSE ARTICLES

Limitations on use

The Senate bill added a new section 514 to the Foreign Assistance Act setting a fiscal year 1975 ceiling of \$150 million at acquisition cost on the quantity of excess defense articles that can be furnished to foreign countries under MAP and requiring that the value be charged to the MAP appropriation.

The House amendment did not contain a comparable provision.

The House amendment retained existing law which requires that excess defense articles generated in the United States and furnished to foreign countries in any way be charged to the MAP appropriation at a minimum of one-third of the acquisition cost and sets a ceiling of \$150 million on excess defense articles generated abroad which can be used before being chargeable to MAP.

The Senate receded, with an amendment lowering the ceiling from \$150 million to \$100 million.

Repeal of limitations on use and definition of excess defense articles

The Senate bill contained a provision repealing sections 8 and 11 of the Foreign Military Sales Act Amendments of 1971 relating to the use and definition of excess defense articles.

The House amendment did not contain a comparable provision.

The Senate receded.

Value of excess defense articles in material presented to the Congress

The House amendment contained a provision which amended section 634(d) of the Foreign Assistance Act to require that excess defense articles ordered for military assistance purposes be expressed in terms of acquisition costs, i.e. the cost to the U.S. Government at the time such articles are acquired by the United States.

The Senate bill did not contain a comparable provision.

The Senate receded.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

The Senate bill added a new section 515 to the Foreign Assistance Act which prohibits the stockpiling of defense articles for war reserves for foreign countries with any funds other than those authorized by this act or, in the case of Vietnam, the Military Procurement Act of 1966 (Public Law 89-367). The costs of any stockpiling will be chargeable to the MAP appropriations in the year such defense articles are set aside.

The House amendment did not contain a comparable provision.
The House receded.

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

The Senate bill contained a provision which required that all military mission costs, including military pay and allowances, presently included in the Department of Defense budget shall be chargeable to the military assistance appropriation effective July 1, 1975.

The House amendment did not contain a comparable provision.

The House receded with an amendment to change the effective date to July 1, 1976.

TERMINATION OF MILITARY ASSISTANCE AUTHORITY

Termination of MAP programs

The Senate bill added a new section 517 to the act that would have:

Terminated all military assistance programs, other than military training programs, effective September 30, 1977, and authorized concessional credit sales to countries that received military assistance in fiscal year 1974 during the phaseout period (4-percent interest with 10-year repayment period).

Terminated all military assistance advisory groups and missions effective September 30, 1977, and transferred this function to the Chiefs of Diplomatic Missions. After that date, no advisory groups were to be established unless specifically authorized by the Congress.

Effective October 1, 1977, placed a ceiling on the number of military attaches to not more than 125 percent of the total number assigned to such duties on June 30, 1974.

The House amendment did not contain a comparable provision.

The House receded, with an amendment expressing the sense of Congress that the policies and purposes of the military assistance program conducted under chapter 2 of part II of the Foreign Assistance Act of 1961 should be reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance, and that the program, except for military education and training activities, should be reduced and terminated as rapidly as is feasible consistent with the security and foreign policy requirements of the United States. The amendment also directs the President to submit to the First Session of the 94th Con-

gress a detailed plan for the reduction and eventual elimination of the present military assistance program.

Continuation of military training

The Senate bill contained a provision establishing a separate military training authority effective October 1, 1977, and limited such training to such locations in the United States unless specifically authorized by law. It also contained several technical provisions to conform this new authority with prior provisions terminating military assistance programs and military assistance advisory groups.

The House amendment did not contain a comparable provision.
The Senate receded.

EXEMPTION OF CANAL ZONE TRAINING

The House amendment contained a provision which exempted Western Hemisphere Countries receiving training in the Canal Zone from counting against the 31-country ceiling set by section 504 of the Foreign Assistance Act.

The Senate bill did not contain a comparable provision.
The Senate receded.

TERMINATION OF MILITARY ASSISTANCE AND SALES TO SOUTH KOREA

The Senate bill contained a provision which would terminate military assistance and military sales credits to South Korea effective September 30, 1977, and makes line item ceilings on MAP and excess defense articles and military sales credit for each of the 3 fiscal years as follows:

[In millions of dollars]

	MAP ¹	FMS	Total
1975.....	91.5	42.4	133.9
1976.....	61.0	28.3	89.3
1977.....	30.5	14.1	44.6
Total.....	183.0	84.8	267.8

¹ Includes excess defense articles.

The House amendment contained a provision which would limit the aggregate amount for military assistance, excess defense articles, and military sales credits and guaranties to \$145 million in fiscal year 1975 unless the President reported to Congress that the Government of South Korea had made substantial progress in the observance of international standards of human rights. If such a report were made, the aggregate ceiling for such programs would be increased to \$165 million.

The Senate receded.

SECURITY SUPPORTING ASSISTANCE AUTHORIZATION

The Senate bill contained a provision amending section 532 of the Foreign Assistance Act to authorize \$675 million for security supporting assistance in fiscal year 1975.

The House amendment authorized \$585 million for security supporting assistance for fiscal year 1975.

The committee of conference agreed to a compromise authorization of \$660 million for security supporting assistance for fiscal year 1975. For countries in the Middle East, this figure will allow \$324.5 million for Israel, \$250 million for Egypt, and \$77.5 million for Jordan.

TRANSFER AND WAIVER AUTHORITY AMENDMENTS

Transfer between accounts

The Senate bill contained a provision amending section 610 to prohibit the use of the section 610(a) transfer authority to transfer funds into the military assistance program and to permit the transfer of funds allocated to a country for military assistance into the development assistance program for that same country. The Senate bill also prohibited the use of the section 614(a) waiver authority to waive the limitations on transfers provided for in the section 610(a) transfer authority.

The House amendment did not contain a comparable provision. The House receded.

Transfers between accounts for Indochina

The Senate bill contained a provision prohibiting the use of the section 610(a) transfer authority for funds appropriated for Indochina countries but permitted the transfer of funds allocated under the Foreign Assistance Act or any other law for any Indochina country into the development assistance program for that country. The Senate bill prohibited the use of funds from accounts other than the Indochina account in the countries of Indochina but made an exception for population programs, narcotics assistance, humanitarian assistance through international organizations, and funds obligated for regional programs in Indochina.

The House amendment prohibited the use of the section 610(a) transfer authority to transfer funds into the Indochina account and prohibited the use of the section 614(a) waiver authority to use economic assistance funds in Indochina but permitted the use of these authorities if the Congress is notified 30 days in advance and does not disapprove such use by concurrent resolution.

The Senate receded with amendments (1) to eliminate the permission to use the transfer and waiver authorities with 30 days prior notice to Congress; (2) to make four exceptions to the restriction on the use of funds from accounts other than the Indochina account, namely for population programs, narcotics assistance, humanitarian assistance through international organizations, and funds obligated for regional programs in Indochina; and (3) to permit the transfer of military assistance funds provided under the Foreign Assistance Act for any Indochina country for development programs in that country.

Restrictions on use of development assistance funds

The House amendment contained a provision which prohibited providing development assistance to countries receiving funds from the security supporting assistance or Indochina aid accounts or from the Middle East Special Requirements Fund and permitted the waiver of this prohibition under section 614(a) only if Congress is notified of the proposed use of the waiver and does not disapprove such use by concurrent resolution within 30 days. The House amendment made an exception for population programs.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment which eliminates the waiver provision but makes additional exceptions for humanitarian assistance through international organizations and for regional programs in Indochina.

Changes in allocation

The House amendment contained a provision which changed section 653 to restrict further the reallocation of foreign assistance funds by extending the limitation on reallocation of funds now covering military assistance and security supporting assistance to include also Indochina aid and economic development assistance, and by increasing the prior notice period for reallocation from 10 to 30 days.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment to reduce the 30 day prior notice period to 10 days.

The committee of conference emphasizes that language agreed to should not be interpreted to allow assistance in excess of any ceilings specified in other provisions of law.

PROHIBITIONS ON MILITARY ASSISTANCE TO TURKEY

The Senate bill contained a provision which would prohibit military assistance and the sale of defense articles to Turkey until and unless the President certified to the Congress that the Government of Turkey was in compliance with the applicable laws and agreements relating to the use of defense articles furnished by the United States and was making substantial progress regarding military forces in Cyprus. The President could suspend the provisions of the section until 30 days after the convening of the 94th Congress if he determined that such suspension would further negotiations for a peaceful settlement of the Cyprus conflict.

The House amendment contained a provision suspending all military assistance and sales to Turkey upon enactment of the bill. The suspension could be waived if the President determined and certified to the Congress that the Government of Turkey is in compliance with the Foreign Assistance Act of 1961, the Foreign Military Sales Act, and any agreement entered into under such Acts, and that substantial progress toward agreement has been made regarding military forces in Cyprus.

The conference report combines the provisions of both versions. It suspends all military assistance and sales upon enactment of the bill but allows the President to lift the suspension until February 5, 1975 if he determines that such action will further negotiations for a peaceful solution of the Cyprus conflict and only if, during that time, Turkey shall observe the ceasefire and shall neither increase its forces on Cyprus nor transfer to Cyprus any U.S. supplied implements of war.

It is the intention of the committee of conference that the period during which the President is authorized to suspend the limitations on aid to Turkey shall not be used to accelerate obligations or deliveries of material to Turkey. The Executive Branch is enjoined from exceeding normal planned schedules for obligations and deliveries under the MAP and FMS programs.

WAIVER OF PROHIBITION ON ASSISTANCE TO COUNTRIES TRADING WITH
NORTH VIETNAM

The House amendment contained a provision which amended section 620(n) to permit the President to waive the prohibition on assistance to countries trading with North Vietnam.

The Senate bill did not amend section 620(n).

The Senate receded.

LIMITATIONS ON ASSISTANCE TO CHILE

The Senate bill contained a provision which limited assistance to Chile to \$55 million in fiscal year 1975, none of which could be used for military assistance, credits, or guaranties.

The House amendment added a new subsection 620(y) suspending military assistance (except \$800,000 in military training), credit sales, and cash sales to Chile through fiscal year 1975, and also prohibiting the issuance of export licenses for Chilean arms purchases from U.S. manufacturers unless the President reports to the Congress that Chile is making fundamental improvements in the observance of human rights. If such a report is made, foreign military cash sales and commercial sales may be made and up to \$10 million in credit may be extended to Chile.

The House receded with an amendment to limit the funds that could be used for assistance to Chile to \$25 million in fiscal year 1975, none of which funds may be used to finance military assistance, credits, or guaranties. The amendment also deleted the reference to "any other law".

DISASTER RELIEF AND CONTINGENCY FUND

The House amendment contained a provision which amended section 639 of the Foreign Assistance Act to authorize the appropriation of \$40 million for famine and disaster relief in fiscal year 1975, earmarked \$25 million for Cyprus, and required a quarterly report on the programing and obligation of funds. It also reduced the authorization for the contingency fund (section 451) from \$30 million to \$5 million and prohibited the use of the contingency fund to pay for gifts to officials of any foreign government.

The Senate bill contained a provision which amended section 639B of the Foreign Assistance Act and added new sections 639C, 639D, and 639E to authorize the President to provide, through U.N. affiliates where practicable, long-term aid to the Sahel, emergency relief to Cyprus and Bangladesh, and disaster relief to other nations where the contingency fund is inadequate, but the section did not authorize appropriations of any funds for those purposes. The Senate version did not reduce the contingency fund or prohibit its use for gifts to foreign government officials.

The Senate receded.

ACCESS TO CERTAIN MILITARY BASES ABROAD

The Senate bill contained a provision which added a new section 659 to the Foreign Assistance Act prohibiting the use of any funds

authorized on behalf of any country in which a military base is located if such base was constructed or is maintained with U.S. funds, and from which the United States carries out military operations, until the President has determined that such country permits bona fide news media correspondents of the United States regular access to such military bases consistent with its own security.

The House amendment did not contain a comparable provision.
The House receded.

PROHIBITING POLICE TRAINING

The Senate bill contained a provision which added a new section 660 to the Foreign Assistance Act which would prohibit all forms of police training and financial support, both in and outside of the United States, which are funded under the Foreign Assistance Act, including the International Police Academy (IPA). Prior law prohibited police training outside the United States.

The House amendment did not contain a comparable provision.

The House receded with an amendment which terminates the authority to conduct police training within the United States or abroad, effective June 30, 1975. A specific exception is made for training of police pursuant to section 482 of the act, relating to international narcotics control.

REIMBURSABLE DEVELOPMENT PROGRAMS

The House amendment contained a provision which would add a new section 659 to the Foreign Assistance Act authorizing the use of up to \$2 million to work with friendly countries, particularly those in which development assistance has ceased or those not receiving prior assistance, in obtaining development-related goods or services from U.S. sources.

The Senate bill did not contain a comparable provision.

The Senate receded with an amendment reducing the amount authorized for use under the section to \$1 million.

LIMITING INTELLIGENCE ACTIVITIES

The Senate bill contained a provision which added a new section 661 to the Foreign Assistance Act prohibiting the use of funds appropriated under any act by, or on behalf of the Central Intelligence Agency (CIA), or any other agency of the U.S. Government, for the conduct of operations in foreign countries other than operations intended solely for obtaining intelligence, unless the President finds that such operations are important to the national security and transmits a report of his findings to the committee of the Congress having jurisdiction to monitor and review the intelligence activities of the U.S. Government. These restrictions would not apply during a declared war or during an exercise of power under the War Powers Resolution.

The House amendment contained a provision which added a new section 660 to the Foreign Assistance Act which was similar to the Senate measure. The basic differences were that the House section prohibited the use of Foreign Assistance Act funds only, applied to the

CIA but not to other government agencies, and specifically required that the reports be transmitted to the Foreign Affairs and Foreign Relations Committees, among the committees with relevant jurisdiction. The House amendment also provided that the restrictions should not apply during a declared war or during an exercise of power under the War Powers Resolution.

The Senate receded.

The committee of conference agreed that strict measures should be taken to insure maximum security of the information submitted to the Congress pursuant to this provision.

WAIVER OF PROHIBITION AGAINST COUNTRIES ENGAGING IN CERTAIN TRADE

The Senate bill contained a provision which added a new section 662 to the Foreign Assistance Act which authorized the President to waive any provision of the Foreign Assistance Act or Public Law 480 which prohibits assistance to a country because that country trades with or ships to a designated country.

The House amendment did not contain a comparable provision.

The House receded, with an amendment deleting the reference to the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

INDOCHINA POLICY STATEMENT

The Senate bill contained a provision which expressed Congressional findings and made policy statements on Indochina directing the President to undertake several measures to help bring peace in Indochina. The findings include statements that none of the parties are observing the Vietnam Peace Agreements, that the Cambodia war has intensified, and that continuation of the military efforts are not in the interests of the people in Indochina or of world peace. The specific steps to be taken are (1) negotiations with the Soviet Union and the People's Republic of China to decrease arms supply, (2) approaches to the Khmer Republic to enter into negotiations with the Khmer Government of National Union, (3) negotiations with parties to the Paris Peace Agreement to assure observance, (4) reconvening of the Paris Conference, and (5) consultation with the Congress on progress to achieve these objectives.

The House amendment did not contain a comparable provision.

The House receded with a minor modification to the Senate language.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

The Senate bill contained a provision which made a congressional finding relating to past U.S. economic policies with regard to Indochina and a policy statement concerning principles which should guide future U.S. economic assistance programs in Indochina, with steps which the Executive should follow: (1) organization of a consortium and coordination of bilateral and multilateral aid, (2) development of a comprehensive reconstruction and development plan, (3) develop-

ment of detailed country reconstruction and development plans, (4) a shift of U.S. programs to economic development (5) identification of economic reforms which will lead to progress, and (6) inclusion of criteria to enable the Congress to measure progress. The Senate bill also contained a disclaimer of a future commitment to aid Indochina countries.

The House amendment did not contain a comparable provision.

The House receded with an amendment which struck the finding relating to past U.S. economic policies with regard to Indochina.

INDOCHINA AUTHORIZATION

The Senate bill contained a provision amending the Foreign Assistance Act to authorize \$617 million for Indochina postwar reconstruction and earmarking amounts as follows:

	<i>Millions</i>
South Vietnam-----	\$449.9
Cambodia-----	100.0
Laos-----	40.0
Regional development-----	4.0
Support costs-----	16.0
International organizations-----	7.0
Total-----	617.0

The House amendment contained a provision amending the Foreign Assistance Act to authorize \$573.4 million for Indochina aid without earmarking.

The House receded with an amendment to make the provision apply only to the Foreign Assistance Act of 1974.

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

The Senate bill contained a provision which amended section 803 of the Foreign Assistance Act to increase the earmarking of funds authorized under Indochina aid for assistance to South Vietnamese children, from \$5 million to \$10 million and to delete a reference to children fathered by Americans.

The House amendment also increased the section 803 program from \$5 million to \$10 million but did not delete the reference to children fathered by Americans.

The Senate receded with an amendment to make the earmarking apply only to the Foreign Assistance Act of 1974.

LIMITATIONS ON AID TO SOUTH VIETNAM

The Senate bill contained a provision adding a new section 806 to the Foreign Assistance Act containing the following restrictions and requirements:

Placing an absolute, nonwaivable \$1,274.9 million ceiling on the total amount of U.S. assistance that can be furnished to South Vietnam in fiscal year 1975, as follows:

	<i>Millions</i>
Military assistance-----	\$700.0
Public Law 480-----	125.0
Economic assistance-----	449.9
Total-----	1,274.9

Earmarking the economic funds authorized by major category and by programs or projects within each of these categories;
Prohibiting obligations without prior authorization or in excess of authorizations;

Requiring a written report explaining the proposed use of funds;

Requiring quarterly reports on obligations;

Establishing a personnel ceiling of 4,000 Americans (2,500 Department of Defense) in Vietnam 6 months after enactment of this act, and a ceiling of 3,000 Americans (1,500 Department of Defense) within 1 year after enactment;

Establishing a personnel ceiling of 800 third-country nationals employed by the United States in Vietnam 6 months after enactment and a ceiling of 500 within 1 year after enactment, except for voluntary agency employees; and

A statement that U.S. assistance shall not be construed as a commitment for the defense of South Vietnam.

The House amendment did not contain a comparable provision.

The House receded with an amendment to eliminate the ceiling on obligations for South Vietnam, which would have been subject to a point of order in the House, and to make the remaining restrictions and requirements of the section apply only to the Foreign Assistance Act of 1974.

LIMITATIONS ON ASSISTANCE TO CAMBODIA

The Senate bill contained a provision adding a new section 807 to the Foreign Assistance Act of 1961 with restrictions and requirements:

Placing an absolute, nonwaivable ceiling of \$377 million on the total amount which can be furnished to Cambodia in fiscal year 1975, as follows:

	<i>Millions</i>
Military assistance-----	\$200
Public Law 480-----	77
Economic assistance-----	100
Total -----	377

Earmarking the economic funds authorized by major category;
Prohibiting obligations after June 30, 1975 for Cambodia without a prior authorization;

Requiring a written report explaining the proposed use of funds;

Requiring a report on obligations for Cambodia;

Exempting voluntary agency personnel from counting against personnel ceiling; and

Stating that U.S. assistance shall not be construed as a commitment for the defense of Cambodia.

The Senate bill also repealed sections 655 and 656 of the Foreign Assistance Act relating to Cambodia.

The House amendment contained a provision amending section 655 to increase the Cambodia ceiling to \$377 million, with a ceiling of \$200 million on military assistance for fiscal year 1975. The House amendment also contained a provision exempting voluntary agency personnel from the personnel ceiling of section 656.

The Senate receded with an amendment to include the earmarking, program and project allocations, and personnel ceilings to apply only to the Foreign Assistance Act of 1974. The amendment also excepts from the ceiling up to \$75 million in emergency assistance that may be furnished to Cambodia pursuant to the authority contained in section 506(a) of the act.

LIMITATIONS ON ASSISTANCE TO LAOS

The Senate bill contained a provision adding a new section 808 to the Foreign Assistance Act with the following restrictions and requirements:

Placing an absolute, nonwaivable limitation of \$70 million on the total amount of U.S. assistance which can be furnished to Laos in fiscal year 1975, as follows:

	<i>Millions</i>
Military assistance.....	\$30
Economic assistance.....	40
Total	70

Earmarking the economic funds authorized by major category;
Prohibiting obligations without prior authorization or in excess of authorizations;

Requiring a written report explaining the proposed use of funds;

Requiring quarterly reports on obligations; and

Statement that U.S. assistance shall not be construed as a commitment for the defense of Laos.

The House amendment did not contain a comparable provision.

The House receded with an amendment to make these restrictions and requirements apply only to the Foreign Assistance Act of 1974.

MIDDLE EAST ASSISTANCE

General authority

The Senate bill contained a provision which added a new part VI to the Foreign Assistance Act and also added a new section 901 which contained a general authority for the President to furnish assistance and to make military sales to the Middle East.

The House amendment did not contain a comparable provision.

The Senate receded.

Statement of policy

The House amendment contained a provision which added a new part VI to the Foreign Assistance Act and added a new section 901, expressing a policy on U.S. assistance to countries in the Middle East and further expressing the sense of Congress that no assistance should be furnished to any country which denies its citizens the right to emigrate.

The Senate bill did not contain a comparable provision.

The Senate receded.

Allocation of Middle East assistance

The Senate bill contained a provision which added a new section 902 to the Foreign Assistance Act which allocated funds authorized in other sections of the bill for Middle East countries as follows:

	<i>Millions</i>
Military assistance-----	\$100. 0
Security supporting assistance-----	667. 0
Military sales-----	330. 0
Total -----	1, 097. 0

The House amendment also added a new section 902 which allocated funds authorized in other parts of the bill for Middle East countries as follows:

	<i>Millions</i>
Military assistance-----	\$200. 0
Security supporting assistance-----	577. 5
Military sales-----	230. 0
Total -----	1, 097. 5

The committee of conference agreed to a compromise allocation which provides \$100 million in military assistance, \$652 million in security supporting assistance, and \$330 million in military sales.

Although the committee of conference did not earmark funds either for Israel or Egypt in this section, it is the understanding of the committee of conference that no less than \$324.5 million will be made available to Israel and no less than \$250 million will be made available to Egypt in security supporting assistance.

Special Requirements Fund

The Senate bill contained a provision which added a new section 903 to the Foreign Assistance Act which authorized the appropriation of \$100 million for a Special Requirements Fund. Before obligating any amount for a project in excess of \$1 million under the authority of the Special Requirements Fund, the President was required to transmit a report to the Congress, giving full details of the project, country involved, and other details. This section also established procedures for the Congress to disapprove the proposal by concurrent resolution within 30 days.

The House amendment also added a new section 903 authorizing the appropriation of \$100 million for a Special Requirements Fund. Prior to obligating or expending any of the funds, the President would be required to report to the Congress, giving full details of the project, including the country involved. If Congress did not disapprove the report within 30 legislative days, the project could go forward. A new subsection 903(c) earmarked \$6 million to be applied toward settlement of the deficit of the U.N. Relief and Works Agency for Palestine Refugees in the Middle East.

The Senate receded with an amendment changing the time period for congressional disapproval of a project from 30 legislative days to 30 calendar days.

PROHIBITION ON USE OF FUNDS FOR NUCLEAR AID

The House amendment contained a provision which prohibited the use of any funds authorized in the Foreign Assistance Act of 1974 to finance the construction of, operation or maintenance of, or the supply of fuel for, any nuclear powerplant in Egypt or Israel.

The Senate bill did not contain a comparable provision.
The Senate receded.

FOREIGN MILITARY SALES ACT AMENDMENTS

Prohibition on the sale of defense articles to developed countries

The Senate bill contained a provision amending section 22 of the Foreign Military Sales Act to prohibit the sale of defense articles to any economically developed country if such articles were generally available from commercial sources in the United States.

The House amendment did not contain a comparable provision.
The Senate receded.

Interest rates for credit sales

The Senate bill contained a provision which would amend section 23 of the Act to establish a statutory minimum interest rate for credits extended under the act unless the President certified to the Congress that the national interest required a lesser rate of interest.

The House amendment did not contain a comparable provision.
The House receded.

Reduction of reserve guaranty

The Senate bill amended section 24(c) of the Foreign Military Sales Act to reduce the requirement for obligation of funds as a reserve against default from 25 percent to 10 percent of the principal amount of each guaranteed loan effective July 1, 1974. All funds not in excess of the principal amount of the contractual liability of all outstanding guaranties were to remain in the reserve account.

The House amendment did not contain a comparable provision.

The committee of conference agreed to retain existing law with an amendment to reduce the reserve guaranty requirement from 25 percent to 10 percent, effective July 1, 1974. Funds in excess of 10 percent of the principal amount of the contractual liability of all outstanding guaranties shall be transferred to the general fund of the Treasury.

Adjustment of the reserve guaranty fund

The Senate bill amended section 37(b) of the Foreign Military Sales Act to permit the adjustment of the reserve guaranty fund to reflect the reduction in the reserve guaranty requirement from 25 percent to 10 percent, for the period between July 1, 1974, and the date of enactment of the Foreign Assistance Act of 1974.

The House amendment did not contain a comparable provision.
The House receded.

Maximum repayment period for guaranteed private loans

The Senate bill added a new subsection 24(d) to the Foreign Military Sales Act which established a maximum period of 10 years for guaranties, but permitted the issuance of guaranties for a period of up

to 20 years if the President certified to the Congress that the national interest required that the period of guaranty be longer than 10 years.

The House amendment did not contain a comparable provision.

The Senate receded.

Congressional approval of military sales

The Senate bill added a new section 25 to the Foreign Military Sales Act which would require the President to submit a report on any single cash or credit sale of defense articles or defense services to any foreign country which exceeds \$25 million 30 days prior to the conclusion of any agreement to sell. The same procedure would apply to every sale to any country that has purchased more than \$50 million of defense articles or defense services in a fiscal year. The Congress can disapprove the transaction by concurrent resolution. The President may waive this requirement if he certified in writing to the Congress that the vital interests of the United States are not served by the submission of such a report. Only one waiver may be made with respect to any one country in any 1 fiscal year. This section also repeals subsection 35(b) of the Foreign Military Sales Act.

The House amendment amended section 35 of the act to require the President to give advance notice to the Congress of any letter or offer to sell defense articles or services of \$25 million or more. The letter of offer shall not be made if Congress by concurrent resolution disapproves the sale within 20 legislative days. The provisions of this section may be waived if the President determines that such a sale is in the national interest and reports this to the Congress.

The Senate receded with an amendment to change the time that Congress has to disapprove the sale from 20 legislative days to 20 calendar days.

Foreign military credit sales and aggregate ceiling

The Senate bill set an aggregate ceiling of \$872.5 million on the amount of foreign military sales credits that could be issued and loans guaranteed in fiscal year 1975 and earmarked \$300 million for Israel, while simultaneously releasing that country from the contractual liability to repay \$100 million to the United States for the defense articles or services so financed.

The House amendment established an aggregate ceiling of \$772.5 million and earmarked \$200 million for Israel.

The House receded.

Latin American and African ceilings

The House amendment removed the \$150 million ceiling on the amount of military assistance and sales that can be made to Latin American countries and restored the President's authority to waive the \$40 million ceiling on military assistance and sales programs for African countries.

The Senate bill did not contain a comparable provision.

The Senate receded.

HUMAN RIGHTS AND POLITICAL PRISONERS

The Senate bill contained a provision amending section 32 of the Foreign Assistance Act of 1973 to require the President to submit an

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annual report to the Congress, setting forth fully the steps he has taken to deny economic and military assistance to any country that imprisons its citizens for political purposes.

The House amendment contained a provision adding a new section 502(B) to the Foreign Assistance Act to express the sense of the Congress that the President should substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of human rights.

The Senate receded.

GORGAS MEMORIAL INSTITUTE

The Senate bill contained a provision amending the Gorgas Memorial Act to increase the annual authorization for the Gorgas Memorial Institute from \$500,000 to \$1 million.

The House amendment contained a provision amending the Gorgas Memorial Act to increase the authorization from \$500,000 to \$2 million.

The Senate receded.

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION (ICCS)

The Senate bill contained a provision authorizing a total of \$27,726,000 for the International Commission of Control and Supervision (ICCS), of which \$16,526,000 is for U.S. payment to the Commission in fiscal year 1975 and \$11,200,000 for reimbursement to the Agency for International Development (AID) for expenses incurred in fiscal year 1974.

The House amendment contained a provision adding a new subsection 803(d) to the Foreign Assistance Act to authorize \$27.7 million for U.S. contributions to the ICCS.

The House receded.

POLICY ON ASSISTANCE TO AFRICA

The Senate bill contained a statement of policy on assistance to Africa which called for a greater emphasis on African development programs to provide the developing countries of Africa with an equitable share of U.S. economic assistance.

The House amendment did not contain a comparable provision.

The House receded with an amendment striking languages which stipulated certain aid levels for the developing countries of Africa.

POLICY ON THE INDEPENDENCE OF ANGOLA, MOZAMBIQUE, AND GUINEA-BISSAU

The Senate bill contained a provision which expressed the sense of the Congress with respect to the independence of and U.S. assistance to Angola, Mozambique, and Guinea-Bissau.

The House amendment did not contain a comparable provision.

The House receded with an amendment striking two paragraphs in the statement which the committee believed lacked felicity of expression and making other minor changes in diction.

CONVENTIONAL WEAPONS TRANSFER

The Senate bill contained a provision urging the President to propose to the Geneva Conference of the Committee on Disarmament that it consider discussions on limitations on conventional arms transfer, and requiring a report 6 months after enactment on steps taken to carry out this provision.

The House amendment contained a provision amending section 511 of the Foreign Assistance Act to express the sense of the Congress that the President propose a U.S. draft international agreement for regulating the transfer of conventional weapons among the governments of the world. No report was required.

The House receded.

CARIBBEAN DEVELOPMENT BANK

The Senate bill contained a provision authorizing the President to permit Puerto Rico to participate in the Caribbean Development Bank.

The House amendment contained a provision substantially the same as the Senate provision, but required prior approval by the Secretary of State.

The Senate receded.

ASSISTANCE TO PORTUGAL AND ITS FORMER COLONIES

The Senate bill authorized \$5 million for grants and \$50 million for loans to Portugal and to countries which were Portuguese colonies prior to April 25, 1974, limited Portugal's share to 50 percent of this amount, and expressed support for the democratic government in Portugal.

The House amendment did not contain a comparable provision.

The House receded with an amendment reducing the authorization to \$25 million, of which \$5 million is to be in the form of grant assistance.

The committee of conference also agreed to delete a provision in the Senate bill which limited assistance to the Government of Portugal to 50 percent of the amount authorized and appropriated and all of the subsection expressing the sense of the Congress with respect to support of the Government of Portugal.

The committee of conference would have been more receptive to the level of assistance for Portugal if there had been a budget request for aid to Portugal and the committees had held hearings on the request.

INTEGRATION OF WOMEN

The Senate bill contained a provision requesting the President to instruct each United States representative to an international organization, including the International Bank for Reconstruction and Development (IBRD), Asian Development Bank (ADB), Inter-American Development Bank (IDB), International Monetary Fund (IMF), the United Nations Organization (UNO) and the Organization for Economic Cooperation and Development (OECD) to operate in a manner to encourage and promote integration of women into national economies.

The House amendment did not contain a comparable provision.
The House receded.

POLICY WITH RESPECT TO COUNTRIES MOST SERIOUSLY AFFECTED
BY FOOD SHORTAGES

The Senate bill contained a provision calling upon the President to review and reprogram U.S. food and fertilizer commitments for the countries most seriously affected by the food shortages, and to use diplomatic efforts to get other countries to do the same. This section also required a report to the Congress 30 days after enactment of this act, and then quarterly, on the following actions: a global assessment by country of food needs for fiscal year 1975, currently planned programming of Public Law 480 commodities by country and by value, and steps taken to encourage the countries to increase their participation in food assistance or financing food assistance.

This section also placed a \$350 million limitation in fiscal year 1975 on the amount of concessional food aid and \$90 million on the amount of fertilizer that could be provided under foreign assistance programs to countries other than those most seriously affected by the economic crisis.

This section also called upon the President to proceed immediately to implement the resolutions and recommendations of the World Food Conference, and to report to the Congress within 90 days after enactment on the implementation of the resolutions.

The House amendment did not contain a comparable provision.

The House receded with amendments which:

Eliminated all references to other acts;

Deleted the \$350 million limitation on food shipments and \$90 million on fertilizer shipments and in lieu thereof directed that not more than 30 percent of concessional food aid should be allocated to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to the appropriate committees of the Congress that the use of such food assistance is solely for humanitarian food purposes;

Changed the reporting requirements of the Senate bill.

LIMITATION ON ASSISTANCE FOR INDIA

The House amendment contained a provision limiting all assistance under the Foreign Assistance Act and the Foreign Military Sales Act to India to \$50 million in fiscal year 1975.

The Senate bill did not contain a comparable provision.

The Senate receded.

EXCHANGES OF RAW MATERIALS

The House amendment contained a provision adding a new section 661 to the Foreign Assistance Act with the following subsections:

Subsection (a) authorizes the President to furnish assistance to any country in exchange for raw materials that it controls, when the President determines that the furnishing of such assistance is in the U.S. national interest. The term raw materials

means fossil fuels, metals, minerals or any other natural substance which is in short supply in the United States.

Subsection (b) authorizes the President to allocate any raw materials transferred to the U.S. for any purpose authorized by law, including sales.

Subsection (c) provides that funds received from the disposal of any raw materials received pursuant to the provisions of this section shall be deposited in the miscellaneous receipts in the U.S. Treasury.

The Senate bill did not contain a comparable provision.

The Senate receded.

COUNTRIES IN DEFAULT

The House amendment contained a provision expressing the sense of Congress that any aid recipient country which is in default, 90 days prior to enactment of the act, of any payment of interest or principal of U.S. loans or credits, should pay promptly. The President is asked to enter promptly into negotiations with delinquent countries to help effectuate payment, or to gain equivalent benefit by transfer to the United States of goods, services, concessions or actions, in lieu of payment.

The Senate bill did not contain a comparable provision.

The Senate receded.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
PETER H. B. FRELINGHUYSEN,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOHN SPARKMAN,
FRANK CHURCH,
STUART SYMINGTON,
HUBERT H. HUMPHREY,
GEORGE D. AIKEN,
CLIFFORD P. CASE,
J. JAVITS,
Managers on the Part of the Senate.

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